## Message Text

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INFO OCT-01 ISO-00 AID-05 HA-05 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 COME-00 EB-08 LAB-04 SIL-01 /091 W ------074645 110335Z /70

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E.O. 11652: N/A

TAGS: PINT, SHUM, DR

SUBJECT: PROTEST RESIGNATIONS OVER GOVT'S EFFORTS TO RE-ELECT

THE PRESIDENT

- 1. CREDIBLE CHARGES OF ELECTORAL DIRTY TRICKS ON THE PART OF THE GOVERNMENT MUSHROOMED OVER THE WEEKEND, RAISING POSSIBILITY EFFORTS MAY AGAIN BE MADE TO DRAG USG INTO PRESENT ELECTORAL CAMPAIGN. ISSUE IS COMPLEX AND NOT EASILY UNDERSTOOD BY MAN IN STREET, BUT POTENTIAL IS THERE FOR OPPOSITION ATTEMPT TO EXPLOIT SUPPOSED DIVERSION OF AID LOAN FUNDS TO USE IN PRESIDENT BALAGUER'S REELECTION EFFORT.
- 2. ON FRIDAY APRIL 7, TEN AGRICULTURE SECRETARIAT TECHNOCRATS, INCLUDING TWO ASSISTANT SECRETARIES, QUIT IN PROTEST OVER THE FIRING OF A PROGRAM DIRECTOR WHO SAID HE REFUSED TO KNUCKLE UNDER HIGH-LEVEL PRESSURES TO DIVERT OFFICIAL FUNDS TO POLITICAL ACTIVITIES PROMOTING THE ELECTION OF THE PRESIDENT'S SISTER, EMMA, AS MAYOR OF SANTO DOMINGO. THEY ALSO COMPLAINED THE GOVT WAS USING OTHER OFFICIAL RESOURCES, TRUCKS AND OTHER EQUIPMENT, FOR EXAMPLE; IN BALAGUER'S REELECTION EFFORT.
- 3. PROGRAM DIRECTOR WHO HAD BEEN FIRED DAY BEFORE, HORACIO ORNES, LIMITED OFFICIAL USE

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CONTROLLED AG SECRETARIAT'S EXTERNAL RESOURCES, INCLUDING DISBURSED PORTIONS OF USAID'S AG SECTOR II LOAN OF \$15 MILLION. ORNES IS MEMBER OF SO-CALLED "TEXAM A M GROUP", A CORPS OF HIGHLY TRAINED SPECIALISTS WHICH PROVIDES MOST OF AG SECRETARIATS'S EXPERTISE AND TALENT. GROUP MEMBERS WERE WELL-REPRESENTED AMONG YOUNG TECHNOCRATS WHO RESIGNED WITH BLAST AT AG SECRETARY PEDRO BRETON APRIL 7. SPECIFICALLY, THEY CHARGED BRETON WAS TURNING

"MINI-MARKETS" SPONSORED BY THE AG SECRETARIAT INTO AGENCIES TO PROSELYTIZE POORER URBAN CLASSES ON BEHALF OF THE BALAGUERS. THE SO-CALLED "MINI-MERCADOS" APPEARED IN THE CAPITAL IN LATE FEBRUARY SELLING FOODSTUFFS AND OTHER STAPLES ON SUBSIDIZED BASIS AT PRICES SOMETIMES HALF THOSE IN COMMERCIAL STORES AND MARKETS. TECHNOCRATS ALSO ACCUSED BRETON OF POLITICIZING AG PROGRAMS IN ALL THE NATION'S SEVEN AG DISTRICTS.

4. ORVERNIGHT TECHNOCRATS WERE LIONIZED BY MEDIA AS DEDICATED PUBLIC SERVANTS WHO QUIT IN DISGUST WHEN THEY SAW JOINT US-GODR FUND OF \$30 MILLION, EARMARKED FOR HELPING SMALL FARMERS, ALLEGEDLY BEING RIPPED OFF FOR PURPOSES OF ELECTING DONA EMMA AS MAYOR OF THE CAPITAL AND, BY EXTENSION, HER BROTHER TO A FOURTH TERM AS PRESIDENT. THEIR IMPRESSIVE CREDENTIALS, WHICH BESIDED DEGREES FROM TEXAS A.M. INCLUDE MASTERS DEGREES FROM BEST US AG SCHOOLS IN MIDWEST, WERE PUBLISHED. ALL EDITORIAL COMMENT HAS TAKEN UP THEIR CAUSE. LISTIN DIARIO, FOR EXAMPLE, SAID YOUNG MEN, BY BLOWING WHISTLE ON BRETON, HAD PERFORMED GREAT PUBLIC SERVICE AND SHOULD BE RETURNED TO POSTS. EL CARIBE CALLED FOR AN INVESTIGATION,

AS DID SEVERAL OTHER PAPERS. REPORTS THIS MORNING OF OTHER AG SECRETARIAT TECHNOCRATS IN PROVINCES COMPLAINING OF SIMILAR POLITICAL ACTIVITIES/PRESSURES INDICATES PROTESTERS MAY BE TREND-SETTERS.

5. ON SUNDAY, AFTER TWO DAY SILENCE, GOVT RESPONDED. BRETON LIMITED OFFICIAL USE.

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WENT ON TV TALK SHOW TO DENY ALL CHARGES AND TO SUGGEST TECHNOCRATS MAY HAVE BEEN MOTIVATED BY OTHER CONSIDERATIONS IN GOING PUBLIC (ITSELF SOMETHING VERY UNUSUAL ON THE PART OF GOVERNMENT BUREAUCRATSWHO, WHEN FIRED OR TRANSFERRED FROM THEIR JOBS, ALWAYS GO QUIETLY). BRETON IN TODAY'S PRESS ALSO ADDRESSED OPEN LETTER TO AID DIRECTOR MORRIS INVITING USAID AUDITORS TO INSPECT USAGE OF AID FUNDS PROVIDED UNDER SECTOR II LOAN. HIS MINISTRY ALSO PUBLISHED AD IN ALL MORNING PAPERS WHICH NOT TOO CONVINCINGLY OUTLINED EVOLUTION OF MINIMERADOS, AND THEIR BENEFIT FOR THE LESS FORTUNATE.

6. COMMENT. WHEN EMB FIRST BECAME AWARE OF CRISIS AT AG SECRETARIAT LAST FRIDAY, MISSION INFORMED CARIBE (NO OTHER PAPER SOUGHT COMMENT) THAT (A) FAR AS WE AWARE, NO DIVERSION OF AID FUNDS HAD OCCURRED AND (B) IF DIVERSION FROM JOINTLY AGREEDUSE WERE TO OCCUR, WE WOULD REQUIRE REIMBURSEMENT. FYI USAID BELIEVES THAT IF ANY DIVERSION HAS OCCURED, IT HAS BEEN FROM GODR COUNTERPART RATHER THAN AID LOAN FUNDS. END FYI. (MISSION STATEMENT TO CARIBE FOLLOWS SEPTEL.) OPPOSITION, WHICH HAS BEEN INTENSELY CARAVANING AROUND COUNTRY, HAS NOT YET SOUGHT TO BLOW MATTER UP IN SUCH A WAY AS TO INVOLVE THIS MISSION. FINALLY, MYSTERIES OF INTERNATIONAL FINANCIAL ARRANGEMENTS BECLOUD FACTS IN MINDS OF

AVERAGE VOTER. IN ALL THE PUBLICITY SURROUNDING SCANDAL TO DATE, LINK BETWEEN USG AND AID GREATLYOBSCURED. OTHERWISE SOPHISTICATED WRITERS AND COMMENTATORS, FOR EXAMPLE, BETRAY IGNORANCE OF AID-USG CONNECTION AND REFER TO AID AS OME PART OF INTERMERICAN SYSTEM, E.G. OAS CONTEXT. ONLY DIRECT LINK MADE TO DATE IS BRETON'S OPEN LETTER

TO MORRIS INVITING AUDIT. AXELROD

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